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ONTARIO'S SUCCESSFUL FINANCING

*Revenues Applied
For Enlarged Public
Services.*

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Ontario's Successful Financing

Revenues Applied for Enlarged Public Services

INCOME.

1904, Under the Old Regime.....	\$4,464,100
1913, Under Sir James Whitney.....	11,188,302
1918, Under Sir William Hearst.....	19,270,123

Ontario's Finances are so well managed that there is no controversy with regard to them. This was not always the situation. Under the Old Regime—that which was supplanted when Sir James Whitney came to office—there was a very small revenue, and there were constantly recurring deficits, laying the foundation for burdensome taxation and heavy debt.

THE NEW POLICY.

The new Government set about the development of the revenue, with the result that by 1913 the income had been raised from \$4,464,100 to \$11,188,302. The present Administration has pursued a like policy of reform, and it now has a revenue—not derived from burdensome taxation, but from carefully-considered sources—of \$19,270,123.

HOW THE REVENUE IS RAISED.

It is important to note the care with which the revenue has been increased and maintained. In the first place the insufficient grant from the Dominion was dealt with. The Government now draws from the Federal Treasury, as a result of its representations on behalf of Ontario, practically one million more per annum than the Province received in 1904. The Dominion grant has gone up thus since 1904:

1904.....	\$1,339,287
1907.....	1,734,029
1908.....	2,128,772
1911.....	2,396,378

This has been accomplished without the resort to provincial taxation, which was threatened some years ago before the new policy had been inaugurated.

MORE FROM CORPORATIONS.

The taxes upon corporations, which derive their profits from direct dealings with the people, have been amplified, under legislation passed in 1906, 1911 and 1914. A comparison of the corporation taxes for the following four years will make clear the policy that has been pursued. The taxes collected have been as follows:

1904.....	\$420,627
1913.....	937,599
1917.....	1,795,188
1918.....	1,803,805

The individual citizen is to this extent relieved of the danger of direct provincial taxation.

MORE FROM SUCCESSION DUTIES.

The duties collected from estates passing from owner to owner under Wills or Administrations have been made more equitable, and as a consequence they yield more largely to the Province without being burdensome. Estates willed to a father, mother, husband, wife, child, son-in-law or daughter-in-law pay no tax if the property does not exceed \$25,000 in value, and estates going to others are exempt if they are not valued at more than \$5,000. Yet the revenue collected from these duties has increased in the following manner:

1904.....	\$458,629
1913.....	1,146,144
1917.....	3,229,226
1918.....	3,157,566

This source of income protects the citizen against the direct tax.

MOTOR AND AMUSEMENT TAXES.

The taxes on Motor Vehicles have been largely increased by the Government since 1914. The collections have been as follows:

1914.....	\$149,210
1915.....	334,759
1916.....	639,987
1917.....	930,753
1918.....	1,214,903

Legislation introduced during the session of 1916 increased the taxes on Race Meetings, which had been taxed in 1914 at \$500

per day, to \$1,250 per day. The revenues from this source have been:

1914.....	\$42,250
1915.....	42,350
1916.....	136,265
1917.....	100,723

For only a portion of the year, as the meetings were closed as a war measure.

New revenues were produced by the Government in 1916 by the imposition of a tax on amusements. The revenue, which is increasing, has been:

1916.....	\$243,918
1917.....	587,721
1918.....	531,000

During 1919 the revenue from this source will reach \$800,000, and will offset the loss of revenue consequent upon the passage of the Ontario Temperance Act.

THE GREATER REVENUE.

The new policy has made the following changes in the principal revenue items:

	1904	1918
Dominion Subsidy	\$1,339,287	\$2,396,378
Lands, Forests and Mines.....	2,767,735	2,964,161
Succession Duty	458,699	3,157,566
Corporation Tax	420,627	1,803,805
Provincial Secretary	100,661	246,066
Public Institutions	110,002	863,090
Game and Fisheries.....	47,883	493,699
Motor Licenses	1,282	1,214,093
Amusement Tax	nil	531,000

LARGER GRANTS TO THE PEOPLE

With an increased revenue the Government has been able to add to the grants for useful services. Thus the outlay upon education has been enlarged in the following manner:

1910.....	\$1,000,000
1911.....	1,000,000
1912.....	1,963,251
1913.....	1,969,291
1914.....	2,048,715
1915.....	2,067,000
1916.....	2,270,260
1917.....	2,545,070
1918.....	2,799,645
1919 (Voted).....	3,807,109

It will be observed that the educational outlay for 1919 is more than double that of 1910.

Again, the grants for Hospitals and Charities have been made larger. They were.

In 1904	\$236,592
In 1913	416,812
In 1917	543,536
In 1918	574,757

It will be seen that the Government is granting \$126,724 more per year than in 1913 and nearly two and a half times the amount expended on Hospitals and Charities in 1904.

On Agriculture the increased expenditure is over a million per annum. In 1904 the agricultural outlays by the Government were \$475,000. Since 1914 the appropriations for agriculture have been:

1914	\$1,483,001
1915	1,195,000
1916	1,213,612
1917	1,363,038
1918	1,506,546
1919	1,676,235

Then no less than a sum than \$4,613,000 has been expended under the authority of a special Act of the Legislature for the development of Northern Ontario. The annual outlays on this important service have been:

1912	\$236,833.57
1913	1,063,655.55
1914	816,225.25
1915	665,425.17
1916	668,318.17
1917	517,145.15
1918	654,446.00
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	\$4,613,048.86

In addition there has been spent \$2,338,000 on colonization roads during the period in question. These two sums make an expenditure of \$6,649,000 in six years, or \$1,108,000 per annum.

Along with these increased expenditures has come a division of the tax laid upon railways among the municipalities. This grant to the people direct averages \$68,000 per annum, and in 1918 amounted to \$928,652.

THE BALANCE SHEET.

Despite the larger outlays upon great and necessary enterprises the Government has been able to make a favorable balance. From 1905 to 1914 the income and outgo were:

Ordinary Revenue	\$88,170,416
Ordinary Expenditure	87,415,315
Surplus	\$755,101

The four years under Sir William Hearst give the following results:

	Revenue.	Expenditure.	Surplus.
1915.....	\$12,975,732.19	\$12,704,362.16	\$271,370.03
1916.....	13,841,339.64	12,706,332.90	1,135,006.74
1917.....	18,269,697.23	16,518,222.64	1,751,374.59
1918.....	19,270,133.71	17,460,404.05	1,809,719.66

The total ordinary revenue for the years 1915-1918 was \$64,356,792.77, and the ordinary expenditure \$59,389,321.75, and the total surplus \$4,967,471.02, or an average annual surplus for the four years of \$1,241,867.75.

Thus the era of deficits and of increasing debt has been passed.

WAR EXPENDITURE.

No discussion of the finances would be complete if the facts relative to the special war expenditures were not given.

At the Session of 1915, the Hon. Mr. McGarry, the Provincial Treasurer, introduced the Provincial War Tax Act providing for a tax for war purposes of one mill on the dollar on all rateable property in the Province. At that time the Treasurer announced that every dollar collected would be spent for war purposes alone. The sum of \$8,118,275.24 has been received from the war tax, and represents within a few thousand dollars the total amount the Province will collect, as the tax was repealed at the last Session. The expenditure is \$1,709,569.98. So up to the present time there has been expended by the Province for war purposes \$1,591,294.74 more than received. By the time the Province has paid the obligations for war purposes, relief, repatriation and reconstruction measures, the amount expended for the war will far exceed the amount received from the mill on the dollar tax.

Among the expenditure for war purposes is notably the sum of \$1,359,056 for the construction, equipment, maintenance and extension of the Ontario Military Hospital at Orpington.

Practically every relief organization associated with allied countries received grants from the Ontario Government. Relief

measures are represented by an expenditure to date of \$3,033,538, including:

Gift of flour to Mother Country.....	\$780,000
Gifts to British Navy and Belgian Relief.....	526,000
Grant for purchase of machine guns.....	500,000
Grants for soldiers' comforts.....	363,000
Grants for relief of Halifax sufferers.....	200,000
Grants for Maple Leaf Clubs.....	97,000
Grants for athletic goods for soldiers.....	27,000
Grants for Great War Veterans.....	50,000
For the expenses of Patriotic, Red Cross, and food production campaigns through the Organization of Resources Commission	760,000
Soldiers' Aid Commission, including home for children	172,000
Recruiting grants	166,000
Returned Soldiers and Sailors Land Settlement Act.....	780,000
Grants to Patriotic Funds.....	2,101,000
Farm tractors, greater production, food, fuel, seed and grain	983,000

A BIRD'S-EYE VIEW.

The record of the Government in the handling of the finances is one of which it may be proud.

It came to power when the Province was threatened with deficits and a heavy debt.

It re-arranged the revenue in such a way as to make it produce more than ever before—and this without laying taxes upon the people, other than those of a corporation nature.

It has increased the outlays upon the great services.

Education receives \$2,000,000 more than it did under the old regime.

Agriculture enjoys added grants aggregating a million a year.

The work of developing the North country has been forwarded by greatly increased expenditures.

To the service of the Empire in the great war the Government has devoted nearly \$10,000,000.

And the finances are in a healthy condition—so healthy, indeed, that whereas there was a deficit under the old conditions, the Province has enjoyed during the past four years a surplus averaging \$1,200,000 annually.

